

Public Employees' Retirement Board Executive Director's Report

April 2014
Roxanne M Minnehan

The April Board meeting is scheduled for **Thursday, April 10, 2014** in the Board's conference room at 100 North Park, room 201. The regular Board meeting will begin at **8:30 am**. Projected adjournment is 11:45 am. This includes a fifteen minute closed executive session after the closed meeting to provide an update on the recruitment and selection of the new executive director, if needed.

As of Wednesday, April 2, 2014, we do not have Board member appointments for the positions currently held by Terrence Smith and Bob Bugni. Mr. Smith and Mr. Bugni will continue to serve until replacements are appointed.

There are two education/presentations this month: 1) Clifford Sheets the Chief Investment Officer at Board of Investments will provide an investment update. 2) June Dossier, MPERA IT Bureau Chief will present our agency IT Strategic Plan. Agencies must submit a biennial IT Strategic Plan in April prior to the Legislative Session.

A Policy Committee meeting is scheduled for 1:00 pm.

Lunch will be ordered for 12:00 to 1:00 pm between the regular Board meeting and the Policy Committee meeting. As always, menus are provided in your packet. Please make your lunch selection prior to the Board meeting. Cynthia Pearson will take your order and money (please include a tip for delivery service).

Executive Director's Report

A. Consent Agenda

There are three items on the consent agenda. Any item may be removed from the consent agenda for full discussion upon request.

1. Board Meeting Minutes
 - a. Regular Meeting, March 13, 2014
 - b. Special Meeting, April 4, 2014 – these minutes will be available at the Board Meeting.
2. PERS Employer Contract – Ronan Library District, effective May 10, 2014
3. Out-of-State Travel Authorization – NAPPA Conference, June 24-27, Nashville.
This conference is budgeted for MPERA's two attorneys to attend. We should have the new attorney position filled in May. This conference would be beneficial for the new attorney to attend.

B. Informal Considerations – Late Annual Certificates, VFCA, Libby VFD

1. Molt VFD – Molt is requesting acceptance of FY 2012 Annual Certificate for two members. The certificate was due September 1, 2012 and was received May 23, 2013. Staff is recommending acceptance.

2. Libby VFD – Libby is requesting one member receive credit for FY 2003. The request for filing the amended late certificate was not received within three years required by statute. Staff is **not** recommending acceptance.

C. 2015 Board Legislative Concepts – Approve and Prioritize

The Board's Legislative Committee is recommending the Board move forward with the following Legislative Concepts. The concepts are due to the OBPP by April 18, 2014. When we submit to OBPP we must rank them in priority order.

D. Actuarial Economic Assumption – Administrative Expense

Under GASB 67 administrative expenses must be determined separately from the rate of return. Upon discussions with the actuary and due to the variance of administrative expenses across plans, staff recommends the Board adopt an administrative expense assumption for each plan. Please note that the assumptions will increase the normal cost by the amount of the administrative expense. The amortization period will also increase because there will be less percentage of payroll contributions available to pay down the unfunded actuarial liability.

E. Review and Set Member Account Interest Rate

Each fiscal year the Board sets the interest rate credited to member accounts based on short term interest rates. Please note the interest rate credited does not impact a member's retirement benefit; the impact is only to members who request a refund in lieu of a benefit. Staff recommends maintaining the current interest rate. (Reference the Interest Rates Policy #BOARD Admin 03 located on the MPERA website: <http://mpera.mt.gov/docs/BdPolicyAdmin03.pdf>).

F. Board Officers Elections

According to the Board Processes Policy #BOARD Proc 01, the Board elects a President and a Vice President in April of each year. Please give careful consideration to your leading officers. Ballots will be provided and tallied at the meeting. The newly elected president will assume his/her official duties at the May meeting. The policy can be found here: <http://mpera.mt.gov/docs/BdPolicyProc01.pdf>

Next month the President will review and appoint committees. Please review the committees and let the President know where you would like to serve. (Reference the Board Committees Policy #BOARD Proc 03 located on the MPERA website: <http://mpera.mt.gov/docs/BdPolicyProc03.pdf>).